

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT
APPEALS AND INTERFERENCES

In Re Application of:)	
)	
Tami L. Guy;)	
Jeffrey L. Briggs and)	
Anne L. Mason)	
)	Group Art Unit: 3714
)	
Serial No. 09/965,405)	
)	Examiner: Ronald Laneau
)	
Filed: September 26, 2001)	
)	
For: METHOD OF)	Atty Dkt. 10013329-1
DISTRIBUTING)	
)	

REPLY BRIEF

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

This Reply Brief is submitted in response to the Examiner's Answer mailed on October 30, 2008, in the above-captioned patent application.

The comments contained herein are intended to be supplemental to those presented in appellants' Appeal Brief filed on August 24, 2008. It is noted that appellants, in this Reply Brief,

Reply Brief
Serial No. 09/965,405
Art Unit 3714
Atty Dkt. 10013329-1

may respond only to certain issues addressed in the Examiner's Answer where response is deemed warranted. With respect to any remaining issues addressed in the Examiner's Answer, appellants' position is fully set forth in the Appeal Brief filed on August 24, 2008, and appellants make no admissions or concessions herein regarding any such issues.

Reply Brief
Serial No. 09/965,405
Art Unit 3714
Atty Dkt. 10013329-1

The Examiner's "Response to Argument" section begins at the bottom of page 8 of the Examiner's Answer. The initial portion of this section constitutes language that appears to be a reiteration of at least a portion of appellants' arguments presented in the Appeal Brief. This initial portion ends with the first full paragraph on page 10. It appears that the Examiner's actual response to appellants' arguments starts with the second full paragraph of page 10, beginning with "Contrary to Applicant's arguments" Appellants respectfully submit comments on the Examiner's response below.

The Examiner states the following on page 10 of the Examiner's Answer:

Contrary to Applicant's arguments, Sharp discloses a credit card payment that customer can use to pay the first organization for products purchased from a second organization. Although, Sharp does not explicitly disclose such teaching but nothing from the disclosure prevents Sharp from receiving the payment directly from the customer.

In the Appeal Brief, appellants argue, for example, that neither Sharp et al. nor Curie et al. disclose or suggest the method of claim 1 in which the second organization takes the order but the

Reply Brief
Serial No. 09/965,405
Art Unit 3714
Atty Dkt. 10013329-1

first organization receives payment directly from the customer.
(See, e.g., Appellants' Brief at pages 11-17).

The Examiner, in the comments reproduced above, admits that there is no *explicit* disclosure in the Sharp et al reference of the claim limitation in question. The Examiner appears, however, to now take the position that the limitation is *inherently* disclosed by Sharp et al. because "nothing from the disclosure prevents Sharp from receiving the payment directly from the customer". (Examiner's Answer, page 10, see text reproduced above). Appellants respectfully disagree with the Examiner's position for the reasons discussed below.

The Examiner may rely on inherent disclosure only if the extrinsic evidence makes it clear that the missing disclosure is *necessarily* present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill in the art. MPEP 2112 IV sets forth, for example, the following:

IV. EXAMINER MUST PROVIDE RATIONALE OR EVIDENCE TENDING TO SHOW INHERENCY

The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993) (reversed rejection because inherency was based on what would result due to optimization of conditions, not what was necessarily present in the prior art); *In re Oelrich*, 666 F.2d

578, 581-82, 212 USPQ 323, 326 (CCPA 1981). **"To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill.** Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.' " *In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999) (citations omitted) (The claims were drawn to a disposable diaper having three fastening elements. The reference disclosed two fastening elements that could perform the same function as the three fastening elements in the claims. The court construed the claims to require three separate elements and held that the reference did not disclose a separate third fastening element, either expressly or inherently.). >Also, "[a]n invitation to investigate is not an inherent disclosure" where a prior art reference "discloses no more than a broad genus of potential applications of its discoveries." *Metabolite Labs., Inc. v. Lab. Corp. of Am. Holdings*, 370 F.3d 1354, 1367, 71 USPQ2d 1081, 1091 (Fed. Cir. 2004) (explaining that "[a] prior art reference that discloses a genus still does not inherently disclose all species within that broad category" but must be examined to see if a disclosure of the claimed species has been made or whether the prior art reference merely invites further experimentation to find the species.<

(underlining in original; bold emphasis added)

Thus, to establish inherency, the extrinsic teachings of a reference must "make clear" that the alleged inherent matter is "necessarily present in the thing described in the reference".

Reply Brief
Serial No. 09/965,405
Art Unit 3714
Atty Dkt. 10013329-1

MPEP 2112 IV, reproduced in part above (citing *In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999)).

Turning to the present case, as discussed above, appellants' claim 1 requires, for example, that the second organization takes the order but *the first organization receives payment directly from the customer*. Sharp et al. does not "make clear" that this limitation is "necessarily present in the thing described in the reference". *Id.* Sharp et al., in fact, explicitly discloses a different arrangement. As set forth in appellants' Brief (see, e.g., page 16), in Sharp et al., the server computer 110 serves as an intermediary for payment; payment is not sent directly from the customer to the supplier. Thus, in Sharp et al., the e-commerce website (operating on the server computer 110) takes the order from the customer *and* processes the customer's payment information.

Accordingly, Appellants respectfully assert that the cited references fail to disclose, either expressly or inherently, all of the limitations of appellants' claim 1. Thus, the rejection is improper and should be withdrawn.

The Examiner, in the Examiner's Answer, follows the language reproduced above with this statement:

Furthermore, this is a well known feature for manufacturer to use a third party organization to ship products not produced

Reply Brief
Serial No. 09/965,405
Art Unit 3714
Atty Dkt. 10013329-1

by said third party organization. From the distribution channel disclosed by Sharp, there exists a third party shipping organization that actually ships products purchased by customer. The Examiner believes that such limitation is met by the disclosure of Sharp.

(Examiner's Answer, page 10)

It is not understood how the Examiner's statement is relevant to the claim language in question, which, as discussed above, requires that the second organization takes the order but the first organization receives payment directly from the customer.

The Examiner further states the following on page 10 of the Examiner's Answer:

Applicant further argues that Curie does not disclose entering into a contractual relationship with a second organization but clearly fig. 13 discloses such feature of the claimed invention. As long as there is a contract between the two organizations and in this case the contract is about a resource exchange between the two parties.

Appellants respectfully disagree with the Examiner's statement. Appellants nowhere in the Appeal Brief argue that "Curie does not disclose entering into a contractual relationship." The Examiner's comments reproduced above are not understood.

Reply Brief
Serial No. 09/965,405
Art Unit 3714
Atty Dkt. 10013329-1

The Examiner further states the following on pages 10-11 of the Examiner's Answer:

In response to applicant's argument that there is no basis for a teaching or suggestion in the prior art for combining elements, the fact that applicant has recognized another advantage which would flow naturally from following the suggestion of the prior art cannot be the basis for patentability when the differences would otherwise be obvious. See *Ex parte Obiaya*, 227 USPQ 58, 60 (Bd. Pat. App. & Inter. 1985).

The *Ex parte Obiaya* case is discussed, for example in MPEP 2145 II ("ARGUING ADDITIONAL ADVANTAGES OR LATENT PROPERTIES") as follows:

Prima Facie Obviousness Is Not Rebutted by Merely Recognizing Additional Advantages or Latent Properties Present in the Prior Art

...

"The fact that appellant has recognized another advantage which would flow naturally from following the suggestion of the prior art cannot be the basis for patentability when the differences would otherwise be obvious." *Ex parte Obiaya*, 227 USPQ 58, 60 (Bd. Pat. App. & Inter. 1985) (The prior art taught combustion fluid analyzers which used labyrinth heaters to maintain the samples at a uniform temperature. Although appellant showed an unexpectedly shorter response time was obtained when a labyrinth heater was employed, the Board held this advantage would flow

Reply Brief
Serial No. 09/965,405
Art Unit 3714
Atty Dkt. 10013329-1

naturally from following the suggestion of the prior art.). See also *Lantech Inc. v. Kaufman Co. of Ohio Inc.*, 878 F.2d 1446, 12 USPQ2d 1076, 1077 (Fed. Cir. 1989), cert. denied, 493 U.S. 1058 (1990) (unpublished - not citable as precedent) ("The recitation of an additional advantage associated with doing what the prior art suggests does not lend patentability to an otherwise unpatentable invention.").

Thus, in situations where a proper motivation (or advantage) to combine has already been established by the Office, *Ex parte Obiaya*, along with other cases cited in this section of the MPEP, generally holds that the assertion, by an applicant, of additional advantages, not expressly recognized by the prior art, will not rebut a *prima facie* case of obviousness. This, however, is not the situation that exists with respect to the present issue. In the current appeal, appellants argue that there is *no proper motivation to combine* (not that there is an additional unrecognized advantage provided by the combination). Appellants are not attempting to rebut a *prima facie* case of obviousness; rather, Appellants assert that no *prima facie* case of obviousness has been established because, for example, there is no proper motivation to combine the references as proposed by the Examiner.

Reply Brief
Serial No. 09/965,405
Art Unit 3714
Atty Dkt. 10013329-1

For the reasons set forth above and the reasons set forth in the Appeal Brief, appellants respectfully assert that all of the claims are allowable and that, accordingly, all of the rejections should be reversed.

Respectfully submitted,
KLAAS, LAW, O'MEARA & MALKIN, P.C.

By: /Michael A. Goodwin/

Michael A. Goodwin, Reg. No. 32,697
1999 Broadway, Suite 2225
Denver, Colorado 80202
Telephone: (303) 298-9888

Date: December 29, 2008